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SUBJECT: U.S., BALTIC INDUSTRY MAY LOSE ESTONIAN IPR
ADVOCATE MARCH 1ST

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¶1. (U) This is an action request. Please see
paragraph 7.

¶2. (U) Summary: New budget cuts at the Motion Picture Association (MPA) threaten roughly USD 40,000 in funding to Estonia's only anti-piracy NGO, the Estonian Organization for Copyright Protection (EOCP). Loss of this funding will force EOCP to shut down, and we will lose one of our strongest allies in the region in the fight against digital piracy. The EOCP provides invaluable training and educational services, particularly in the digital environment, for law enforcement agencies and other GOE officials. In recent years it has lobbied successfully to have intellectual property included in the Estonian national school curriculum, and has helped train teachers on presenting the concept of IPR in the classroom. Its expertise is invaluable to local law enforcement efforts to increase their capacity to combat cyber crime. Post requests Department lead engagement with MPAA to urge MPAA to reconsider this decision.
End Summary.

¶3. (U) The Motion Picture Association of America (MPAA), through its international counterpart the MPA, recently announced it will withdraw critical funding for the Estonian Organization for Copyright Protection (EOCP), one of Estonia's most active NGOs in the field of Intellectual Property Rights (IPR) education and enforcement. This effective NGO, established by the MPA and local video distributors in 1998, is the only anti-piracy organization in Estonia that provides the Government of Estonia (GOE) with a source of expertise on fighting IPR violations in the digital environment and on the internet. Embassy Tallinn has cooperated with EOCP to provide training to police, judges and prosecutors in Estonia and throughout the Baltic region. EOCP expertise has been particularly valuable in several recent seminars sponsored by the Tallinn AmCham IPR Committee and the U.S. Patent and Trademark Office (USPTO). Finally, the EOCP is the only organization to contribute expert testimony in IPR court cases in Estonia, and acts in place of industries that do not have local representation.

¶4. (U) According to Erik Mandre, EOCP's Managing Director, MPA sent a letter on February 17

announcing its intention to terminate the MPA Pan-Baltic project effective of March 1, 2009. EOCP faced a similar situation in March 2007 when MPA decided to cancel its membership, and withhold its annual contribution of USD \$36,500, reducing the EOCP's annual budget by one-third. However, due to US intervention and heavy lobbying by its members, EOCP signed a cooperation project MPA Pan-Baltic project leveraging USD \$36,000 on joint operations against Internet piracy in all three Baltic countries, with EOCP as the coordinator for this project.

¶ 15. (U) Since its establishment, EOCP has developed a successful liaison relationship with police, prosecutors and customs officials, organizing raids, giving expert opinion on seized goods, and arranging training for law-enforcement agencies. EOCP is also instrumental in the fight against Internet piracy - the biggest IPR challenge in 'e-Stonia,' a country that is one of Europe's leading consumers of electronic data. In 2008, EOCP closed 957 Internet sites involved in illegal, IPR-infringing activity, and removed 69,417 bootleg files from local public file transfer protocol (FTP) servers. There are no IPR holders with local offices in Estonia; therefore EOCP holds powers-of-attorney with many industry groups to represent them in court cases where infringement of their rights is alleged. In short, EOCP's activities have a powerful multiplier effect throughout Estonian society and beyond, through its ability to leverage expertise at many levels of the GOE, and with education for the public at large.

Further, EOCP actively participates with the GOE in drafting policies, and lobbying for firmer IPR regimes.

¶ 16. (U) The EOCP estimates that closing down their anti-piracy operations could result in a significant loss of legitimate audio/video sales to internet piracy, as Estonia has one of the highest Internet penetration rates in the world. Without EOCP and its counterparts in Latvia and Lithuania, there will be no regional brake on digital piracy in the Baltic States and the legal market of movies distribution will suffer. Protecting legitimate e-commerce in the Baltics in these difficult economic times is directly in the USG's interest.

¶ 17. (U) Action Request: We request Department lead agencies to engage with MPAA and urge reconsideration of this decision. The issue of copyright, trademark and patent protection is a shared interest for both the USG and private industry (it is an MSP priority for the Embassy). Both U.S. and Estonian law enforcement bodies frequently stress that digital piracy is a growing threat, with the potential to attract organized crime because of relatively low risks and high profit margins associated with it. The work of the EOCP has been instrumental to Estonia's success in protecting IPR, and staying off of USTR's Special 301 Watchlist for almost a decade. If the EOCP is forced to close because of the withdrawal of MPAA's meager support, the U.S. audio/video industry will lose one of its strongest advocates in the region, and may lose market share to increased piracy as well. The ensuing absence of any meaningful anti-piracy efforts in Estonia would encourage operators who are looking for a safe haven from which to set up illegal websites offering pirated software, films and music worldwide.